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FISCAL IMPACT STATEMENT

LS 6768

BILL NUMBER: HB 1148

NOTE PREPARED: Apr 3, 2003

BILL AMENDED: Apr 3, 2003

SUBJECT: Conservancy Districts.

FIRST AUTHOR: Rep. Lytle

FIRST SPONSOR: Sen. Lewis

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill allows the board of a conservancy district that has channel improvements, levees, and water retarding or impoundment structures to adjust the annual cost of maintenance for the district's works of improvement, thus increasing the amount appropriated annually to the district's cumulative maintenance fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures: State expenditures would not be affected because property tax replacement would not apply.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Allowing the board of a conservancy district that has channel improvements, levees, and water retarding or impoundment structures (or dams) to adjust the annual cost of maintenance for the district's works of improvement will increase the amount appropriated annually to the district's cumulative maintenance fund.

Over 100 conservancy districts have been established. An estimated 82 are still in existence, and of this total approximately 14 have a cumulative maintenance fund that will be affected by the provisions of the bill. Under existing law, the annual appropriation to the cumulative maintenance fund is limited to 10% of the annual cost of maintenance as the cost is stated in the district plan. Many district plans were written in the

1960s.

Some districts have amended their district plans. Many did not, and their costs of maintenance are out-of-date. The procedure to amend a district plan is an intensive legal process that requires expert witnesses and multiple presentations. Amendments to the plans were usually reserved for major changes in the improvement and or significant changes in financing.

The proposal applies a nationally recognized cost index to bring the dollar amount stated in the district plan up to current cost figures. The result will be an increase in revenue generated by property taxes for the districts. It is estimated that the average increase in revenue for the districts would be about \$9,000 per district. If 14 districts are affected, an additional \$126,000 would be generated statewide.

State Agencies Affected:

Local Agencies Affected: Conservancy districts.

Information Sources: Spencer J. Schnaitter and Douglas E. Cregor, Association of Indiana Conservancy Districts.

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